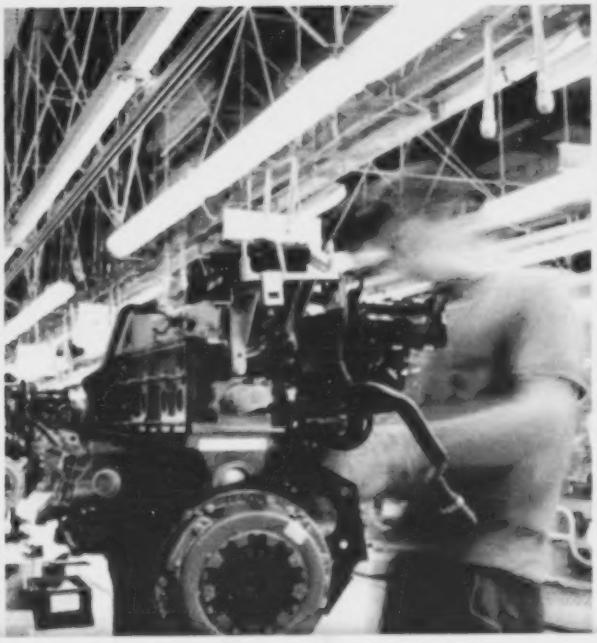
Attachment 1



Employment and Industry 2016

February 2017

York Region

York Region Employment and Industry Report 2016

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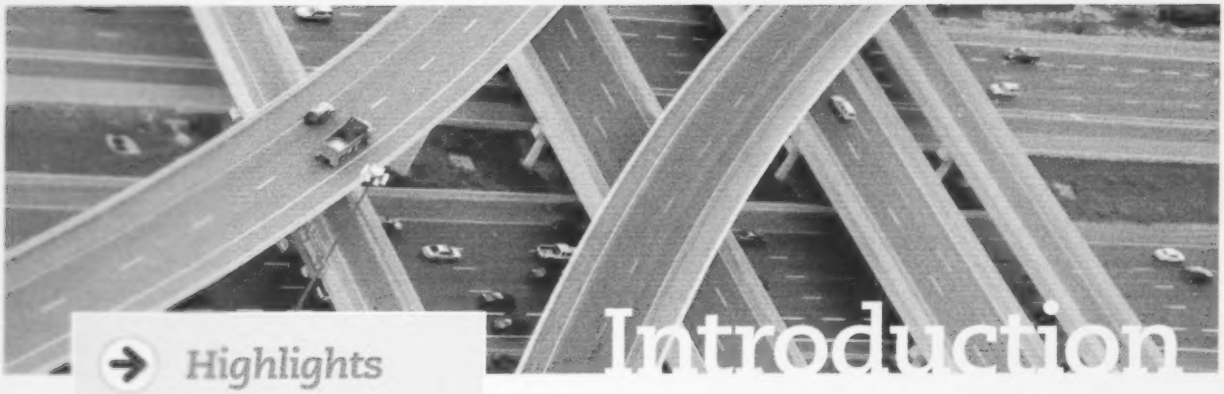


Introduction

Highlights

- There were an estimated **595,200 jobs** in York Region as of mid-year 2016
- Between 2015 and 2016, York Region employment grew by **15,100 jobs** or **3.1 per cent**
- **71 per cent** of York Region's surveyed employment was full-time, a decrease from **73 per cent** in 2015
- **77 per cent** of surveyed employment in York Region is in services-producing sectors
- The manufacturing, retail trade, and professional, scientific and technical services sectors held the largest shares of surveyed employment in 2016
- The health care and social assistance sector recorded the largest employment gain in terms of absolute growth increasing by **2,400 jobs**
- Employment lands represent **54 per cent** of York Region's employment base
- Surveyed employment within centres and corridors grew by over **3,500 jobs** from mid-year 2015 to approximately **117,900** surveyed jobs in 2016
- York Region surveyed **32,500** businesses in 2016
- The majority of surveyed businesses in the Region (**84 per cent**) employ less than 20 employees

Business and job growth are fundamental to York Region's economic vitality. Attracting and retaining high quality, good paying jobs across a broad range of sectors promotes economic resilience and helps ensure those living in York Region have the opportunity to work and thrive where they live. Each year, through various sources, the location, type and characteristics of businesses in the Region are tracked and analyzed. It is important to understand and regularly monitor this type of information, as well as year over year trends, as it informs the development of Regional policies, programs, marketing initiatives and infrastructure investments.

The ***Employment and Industry Report 2016*** provides an economic overview of the Region's business and job growth. The data utilized in this report is obtained from a number of sources. The Region has conducted an industry wide survey of businesses across the nine municipalities annually since 1998. The survey provides a snap shot of the Region's businesses that can be compared over time to identify trends.

Other sources of information used within the report include Statistics Canada's Canadian Business Counts (formerly known as Canadian Business Patterns) and Labour Force Survey, Wanted Analytics online job postings, and publicly available announcements regarding business activity in the Region. Details regarding data sources and methodology are contained within appendices A and B.

In 2016 York Region employment growth continued the trend of outpacing national and provincial averages

York Region employment growth outpaced national and provincial labour force employment growth between mid-year 2015 and mid-year 2016, posting a gain of **3.1 per cent** (see **Table 1**).

According to the Statistics Canada Labour Force Survey, Canada and Ontario posted modest labour force employment growth between mid-year 2015 and mid-year 2016, increasing by **0.4 per cent** and **0.5 per cent** respectively, declines from **1.1 per cent** and **1.2 per cent** the previous year. During the same period, the Greater Toronto Area labour force increased by **1.0 per cent**.

It is important to note that while Statistics Canada's labour force data is useful for trend analysis, there are high levels of variability in the data and the information is not directly comparable to York Region's employment estimate. The labour force survey represents GTA residents of working age who may or may not work in the GTA.

The annual York Region employment survey data is representative of the Region's workforce and is comprised of working age individuals who work in York Region and who may or may not be residents of the Region.

Employment growth in York Region, provincially, and nationally continues to be driven by services-producing industries

Similar to national and provincial trends, York Region's economy continues to experience a progressive shift towards more service-oriented jobs. The share of service-oriented jobs for Canada, Ontario, the GTA, and York Region has shown steady growth since 1998 (**Figure 2**). The share of employment in the goods-producing sectors has shown a gradual decline over time. However York Region has consistently held a larger share of goods-producing employment than Canada, Ontario, and the GTA.

Table 1 - Comparison of Annual Employment Growth Rates: Canada, Ontario, Greater Toronto Area (GTA) and York Region, 2016

	Canada	Ontario	Greater Toronto Area[1]	York Region[2]
2011-2012	1.1%	0.3%	1.1%	3.8%
2012-2013	1.3%	2.2%	4.9%	4.1%
2013-2014	0.0%	0.6%	-1.6%	2.1%
2014-2015	1.1%	1.2%	4.1%	2.7%
2015-2016	0.4%	0.5%	1.0%	3.1%

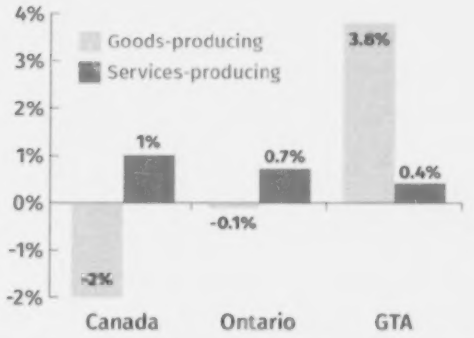
Source: York Region Planning and Economic Development Branch and Statistics Canada's Labour Force Survey, 3-month moving average, unadjusted for seasonality

Notes: [1]Greater Toronto Area labour force employment growth approximated by the Toronto Economic Region

[2]York Region figures based on 2016 employment survey results and estimates for home-based, farm-based, and no contact businesses

The Statistics Canada's labour force data provides a broad overview of employment trends at the national, provincial and GTA levels. Direct comparisons should not be made when comparing the Statistics Canada's labour force data to York Region's employment survey data.

Figure 1 - Labour Force Employment Growth rates for goods and services producing sectors, Canada, Ontario, and GTA 2015 to 2016

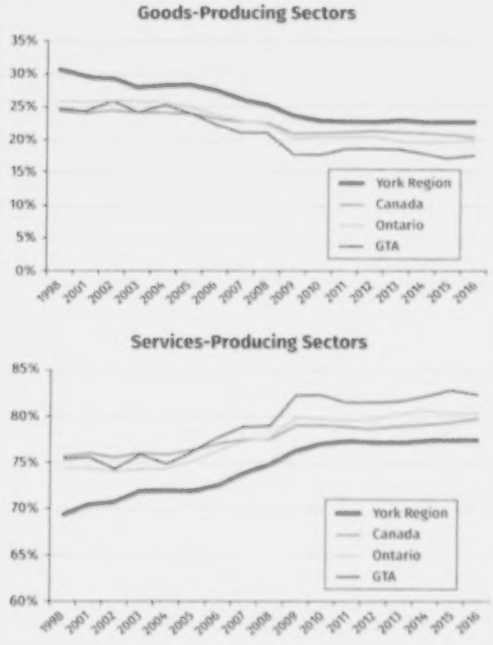


Source: Statistics Canada's Labour Force Survey, 3-month moving average, unadjusted for seasonality, ending in August 2016.

Growth in Canada's services-producing industries helped offset some of the job losses in the goods-producing sectors between mid-year 2015 and mid-year 2016. The **-2.0 per cent** decrease in goods-producing labour force employment (**Figure 1**) was due to a decline in the natural resource and manufacturing sector. Canada's services-producing industries increased by **1.0 per cent** over the last year with strong growth in the health care and social assistance sector (**+51,900 jobs, 2.2 per cent growth**); the information, culture and recreation sector (**+43,500 jobs, 5.4 per cent growth**); and the professional, scientific, and technical sector (**+21,700 jobs, 1.6 per cent growth**).

Employment in Ontario increased by **0.5 per cent** (**37,400 jobs**) mid-year 2015 to mid-year 2016, a decline from the **1.2 per cent** growth observed the previous year. Over this period the majority of the province's growth was driven by employment in services-producing industries, with health care and social assistance adding the most jobs (**+32,000 jobs, 3.9 per cent growth**), followed by information, culture, and recreation (**+16,900 jobs, 5.1 per cent growth**).

Figure 2 -Distribution of Goods and Services Producing Employment, Canada, Ontario, GTA, York Region, 1998-2016



Source: York Region figures based on 2016 employment survey results. Canada, Ontario and GTA figures based on Statistics Canada Labour Force Survey, 3-month moving average, unadjusted for seasonality, ending in August 2016

Ontario's goods-producing industries declined **-0.1 per cent**, despite modest increases in construction and manufacturing. This was mainly due to a large decline in the forestry, fishing, mining, oil ,and gas sector. With the help of a weaker Canadian dollar, the number of manufacturing jobs across Ontario experienced a modest increase of **0.3 per cent**.

The moderate increase in the GTA's labour force employment between mid-year 2015 and mid-year 2016 was led by growth in the goods-producing sectors that posted a **3.8 per cent** gain (**21,800 jobs**) with strong growth in the construction and manufacturing sectors. The services-producing sector saw an addition of **11,000 jobs** and **0.4 per cent** change in growth, a smaller increase compared to the **131,800 jobs** and **4.9 per cent** growth observed in 2015. The education sector (**-26,200 jobs, -11.8 per cent**) and transportation and warehousing sector (**-10,900 jobs, -6.1 per cent**) both recorded declines, however growth was observed in finance and insurance (**+18,900 jobs, 5.2 per cent** growth) and public administration (**+12,200 jobs, 10.8 per cent** growth).

York Region Employment Analysis

York Region employment was estimated at 595,200 jobs in 2016

As of mid-year 2016, the Region's total employment was estimated to be **595,200 jobs**, an increase of **15,100 jobs** from 2015. This estimate includes surveyed job totals from contacted firms through the York Region employment survey, census of agriculture jobs, estimates for work at home employment, and for businesses that the Region attempted to survey but was unable to contact.

Table 2 outlines how the 2016 total employment estimate was derived.

As one of Canada's fastest growing municipalities, it is no surprise that the Region continues to attract new investment. York Region has exhibited strong employment growth over the past 15 years. From 2001 to 2016 the Region's employment has grown by **209,700 jobs** representing a strong average annual rate of **2.9 per cent** (**Figure 3**). This balanced rate of growth aligns with the Region's annual population growth rate during the same time period (**3 per cent**) and provides job opportunities for existing and future York Region residents.

Information gathered from the Region's annual employment survey as well as other data sources including Statistic's Canada Canadian Business Counts data shows that York Region is continuing to experience strong, steady employment growth.

York Region Employment by Type of Worker

Full-time employment growth remains strong in York Region

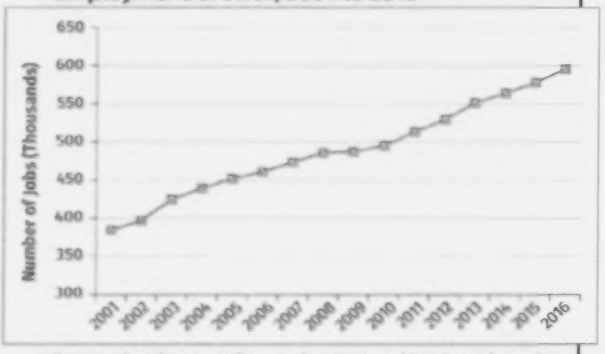
Full-time workers continue to account for the largest share of employment type in York Region at **70.9 per cent**. The remaining share is divided between part-time workers at **17.7 per cent** and contract/seasonal/temporary at **11.3 per cent** (**Figure 4**). The Region continues to experience a shift in the shares of employment types with full-time employment decreasing from **76.3 per cent** in 2006 to **70.9 per cent** in 2016, while contract/seasonal/temporary employment continues to increase from **4.9 per cent** in 2006 to **11.3 per cent** in 2016.

Table 2 - York Region Total Employment Estimate 2016

Surveyed Employment	No Contact Estimate	Agricultural	Work at Home Estimate
543,500	5,200	2,900	43,600
Total			595,200

Source: York Region Planning and Economic Development Branch Employment Survey, 2016

Figure 3 - York Region Estimated Total Employment Growth, 2001 to 2016



Source: Employment figures for 2001 and 2006 are based on Statistics Canada Census data. Employment figures from 2002-2005 and 2007-2016 are based on York Region's estimated total employment.

Note: York Region figures based on employment survey results and estimates for home-based, farm-based, and no contact businesses. Historical employment figures were revised from those released in previous Employment and Industry reports based on updated information.

Figure 4 - York Region Surveyed Employment by Type of Worker

Source: York Region Planning and Economic Development Branch Employment Survey, 2016

Full-time employment is an important labour market indicator of economic performance and the Region continues to demonstrate strength in full-time employment opportunities for its residents, attracting a highly-skilled labour force.

Providing opportunities for other types of employment such as part-time and contract/seasonal/temporary is also important for residents as attitudes on work-life balance and work preferences change. Although York Region has historically maintained a healthy proportion of full-time employment, it is still important to monitor trends in changes to employment type composition as it may have future implications on the Region's economic well-being.

Employment Analysis by Sector

York Region has a diverse and resilient economy

The following section provides a detailed analysis of York Region's employment using Statistics Canada's North American Industrial Classification (NAIC) system. A comprehensive list of the NAIC sectors can be found in Appendix B.

York Region has a diverse economic base. The manufacturing, retail trade, and professional, scientific and technical services sectors accounted for the largest share of surveyed employment by mid-year 2016 (**Figure 5**). Available employment in a broad range of sectors is key to securing the Region's resiliency to any future economic downturn.

Figure 5 - York Region Distribution of Surveyed Employment by Sector, 2016

Management of Companies and Enterprises 1%
Information and Cultural Industries 2%
Public Administration 3%
Mining, Oil and Utilities 0.3%
Administrative and Support Services (including Waste Management) 3%
Real Estate and Rental and Leasing 3%
Other Services (except Public Administration) 3%
Arts, Entertainment and Recreation 4%
Transportation and Warehousing 4%
Manufacturing 15%
Retail Trade 12%
Professional, Scientific and Technical Services 9%
Wholesale Trade 8%
Construction 8%
Health Care and Social Assistance 8%
Accomodation and Food Services 7%
Educational Services 6%
Finance and Insurance 5%
York Region
Distribution of Surveyed Employment by Sector
2016

Source: York Region Planning and Economic Development Branch, 2016 Employment Survey

The York Region economy continues a shift to services-oriented sectors

In 2016, the majority of the Region's workforce was employed in services-producing sectors, accounting for **77 per cent** of the Region's surveyed employment base compared to **73 per cent** in 2006 (**Figure 6**). Employment in the goods-producing sectors accounted for **23 per cent** of the Region's total surveyed employment in 2016 compared to **27 per cent** in 2006.

Similar to trends in Canada and Ontario, the York Region economy continues to undergo a shift toward more knowledge-based, service-oriented jobs. Over the past ten years, employment in services-producing sectors increased by **3.2 per cent** on an average annual basis, adding **122,800 jobs** to the Region's employment base. Comparatively, employment in the goods-producing sectors grew at a much slower average annual rate of **0.9 per cent** over the past ten years. Since 2011, the goods-producing sectors witnessed a recovery aided by growth in the construction sector. While still growing, manufacturing employment growth is anticipated to be modest for the foreseeable future.

Key Services-Producing Growth Sectors

Health care and social services has grown at an average annual rate of 7.8 per cent since 2006 adding 21,500 jobs

Health care and social services remains the fastest growing sector, doubling its employment base over the past decade to now employ **40,800** in York Region. Over the last year this sector grew by **2,400 jobs**. The ambulatory health care services subsector consists of health practitioners that provide out-patient services including physicians and dentists, and has accounted for over half of employment growth in the health care sector since 2006. Employment demand in this sector is expected to continue as the population ages and requires access to medical care and support services. Growth in this sector brings new opportunities for innovation in the Region. Examples include the CreateIT Now accelerator, ORION at Southlake Regional Health Centre, the new Mackenzie Vaughan Hospital, Vaughan International Commercialization Centre (VICC), Leo Innovation, the Mackenzie Health Centre, and the Pulse hub accelerator at venture LAB.

Figure 6 - York Region Surveyed Employment by Goods and Services-Producing Sectors, 2006 and 2016

Source: York Region Planning and Economic Development Branch, 2006 and 2016 Employment Surveys

Finance and insurance added 13,300 jobs over the past 10 years, growing at an annual rate of 7.0 per cent

Following the loss of American Express Canada in 2015, a major financial services employer, the finance and insurance sector experienced a rebound of **990 jobs** in 2016, a **6.4 per cent** increase in growth. York Region is home to corporate or divisional back-end operations (e.g. processing and call centres) of many financial institutions, alongside hundreds of branch-level places of employment. In total, York Region's financial sector consists of approximately **27,000 jobs**.

Key firms from this sector continue to locate in York Region spurring employment growth. TD Insurance, Aviva Insurance's new head office and SCM Insurance in Markham will support continued employment gains in this sector for 2017. One potential future trend that may impact job growth in financial services is the introduction of technologies that allow more online, self-serve financial processes that may decrease the need for more physical bank branches. The emergence of Financial Technology (Fintech), that includes new applications, processes, products, and business models in the financial services industry will disrupt the traditional financial sector over the coming years.

Estimates by global banking organization Citigroup, widely cited in the media, indicate that up to **30 per cent** of employees in the traditional financial industry may lose their jobs because of the rise of FinTech firms and alternatives to traditional banking. The CEO of the British multinational bank Barclays also publicly predicted that up to **50 per cent** of banking sector jobs could be lost in the next 10 years to automation. While high barriers to entry in the financial services industry still protect large institutions, the flexibility and innovation offered by new FinTech industry players will ultimately result in fewer traditional financial sector jobs. At the same time these trends will likely lead to an increase (though non-proportionate) in FinTech-related jobs within the Information and Communications Technology industry.

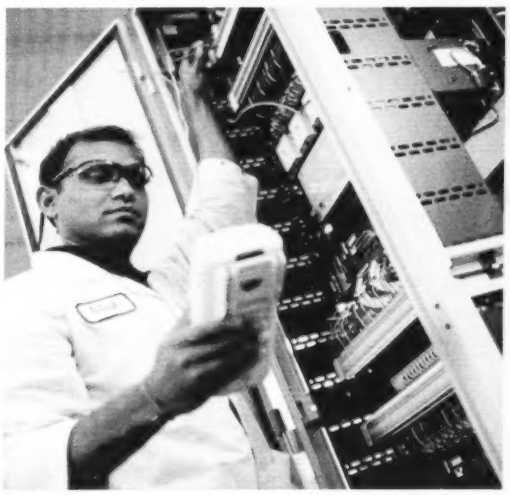
Retail trade growth closely follows population growth

Retail trade continues to be one of the Region's top employment growth sectors adding **14,600 jobs** and growing by **2.7 per cent** annually from 2006-2016. In 2016, the retail trade sector represented the largest share of employment in the services-producing industry sectors in 2016 with **15.2 per cent** of employment or **64,057 jobs**.

The professional, scientific, and technical services sector recorded over 5,700 additional jobs at an annual growth rate of 1.2 per cent over the past 10 years

The professional, scientific, and technical services sector includes subsectors such as information technology, legal services, accounting, engineering and technical services, architectural and interior design services,management consulting, and research and development. It holds a **12.3 per cent** share (or **51,600 jobs**) of total surveyed employment in the Region. This sector continues to attract highly skilled workers to York Region.

York Region is home to major operations of global companies in this sector including IBM, AMD, Huawei, Deloitte, AECOM, Parsons, Worley Parsons, Oracle, Compugen, Pricewaterhouse Coopers, and MMM Group. 2015-2016 has seen several national consulting engineering firms relocating, or establishing an office in York Region including Black & McDonald, Morrison Hershfield, and Associated Engineering. KPMG's new Toronto North location and General Motors Canada's new automotive software development centre will support continued employment gains in this sector for 2017.



Wholesale trade and transportation/ warehousing facilities continue to grow in numbers across York Region.

Over **17,600 jobs** in wholesale trade and transportation/ warehousing facilities sectors have been added since 2006 . As of 2016, there were **64,600 jobs** representing a **15.4 per cent** share of the Region's total surveyed employment. Over the past year the wholesale trade sector posted a gain of **1,085 jobs**. Businesses in the transportation and warehousing sector are engaged in transporting goods, warehousing, and storage services. They play a key role in the supply chain process. Growth in these sectors is concentrated in the southern part of York Region along key 400 series highways and railway corridors.

Goods-producing sectors have rebounded in the Region since the economic recession

York Region's goods producing sectors have risen **0.9 per cent** annually from 2006-2016 and added **10,400 jobs** over this period. The significant economic downturn experienced from 2008-2009 accounted for lost employment, but goods-producing sectors have since rebounded. In the past five years, the goods-producing sectors grew **3.1 per cent** annually adding **17,300 jobs**.

Key Goods-Producing Growth Sectors

- Consistent with the significant economic downturn at the national, provincial, and municipal levels, the York Region **manufacturing sector** recorded negative growth at an average annual rate of **-0.9 per cent** from 2006-2016. Manufacturing remains the Region's largest sector in terms of surveyed employment and accounted for **15 per cent** (**79,600 jobs**) of total surveyed jobs. Transportation equipment manufacturing is York Region's largest manufacturing subsector, accounting for **16 per cent** or nearly **13,000 jobs**. Since 2011 manufacturing has increased at an average annual rate of **1.7 per cent** and **6,400 jobs** have been added.
- Over the past ten years, the **construction sector** has added over **17,600 jobs** to the Region's employment base bringing the total number of surveyed construction jobs to **42,300**. The specialty trade contractors subsector accounted for the majority of employment in the construction sector, for a **60 per cent** share or **28,600 jobs**. Continued growth in the GTA construction sector follows local population and business growth. Growth in this sector promotes new building construction and infrastructure supporting new businesses and homes for residents. Construction in York Region has been growing at a steady rate and has added **10,950 jobs** since 2011.

Potential protectionism policies of the incoming U.S. administration, the potential renegotiation of the North American Free Trade Agreement (NAFTA), and a potential border tax on locally-produced autos and other goods could have a direct impact on Canada's and Ontario's manufacturing sector, including in York Region.

Ontario's **automotive sector** may be among those hardest hit by new cross-border trade regulations, if implemented. Major Ontario-based auto parts manufacturers and exporters, most notably Magna International, have a presence in York Region, alongside dozens of smaller innovative industry players. There are over 100 auto parts manufacturers in York Region representing approximately 15,000 local jobs, the largest manufacturing sub-sector in the Region. Recent warnings given by the incoming U.S. President directly to automotive firms who set up or expand operations outside the U.S., coupled with a threat of border taxes, may adversely impact employment and future growth in Ontario's auto parts supply chain, including in York Region.

Ontario electricity prices are another trend that can impact business and jobs growth in York Region, particularly large hydro users in the manufacturing sector. Currently, Ontario's electricity rates are higher than in any other province in the country. Many businesses, particularly manufacturers, but also the small business community, have publicly raised significant concerns as hydro bills are amongst their top operating expense. Soaring electricity prices may adversely impact manufacturing establishments and jobs across the Province (including York Region) as businesses may decide to relocate to, or expand in, lower-cost jurisdictions.

Despite the economic shift to a more service-based economy, employment in the Region's goods-producing sector grew **2.7 per cent** by **3,200 jobs** between 2015 and 2016. The manufacturing and construction sectors were the greatest contributors to this growth.

Hiring demands

Wanted Analytics is a web-based platform that collects detailed information on hiring demand data from major online job search engines. The data is then categorized by occupational category using Statistic Canada's National Occupational Classification system (NOCs).

According to Wanted Analytics Job Postings data, between mid-year 2015 and mid-year 2016 there were a total of **85,580 job postings** in York Region. This figure includes job postings for both new and replacement positions. In 2016 hiring demand in York Region was highest for occupations in sales and service; business, finance and administration; and trades, transport, and equipment operator occupations. Natural and applied sciences occupations dropped to fourth from third last year losing **2 per cent** of the share of job postings while trades, transport, and equipment operators rose to the third highest number of postings.

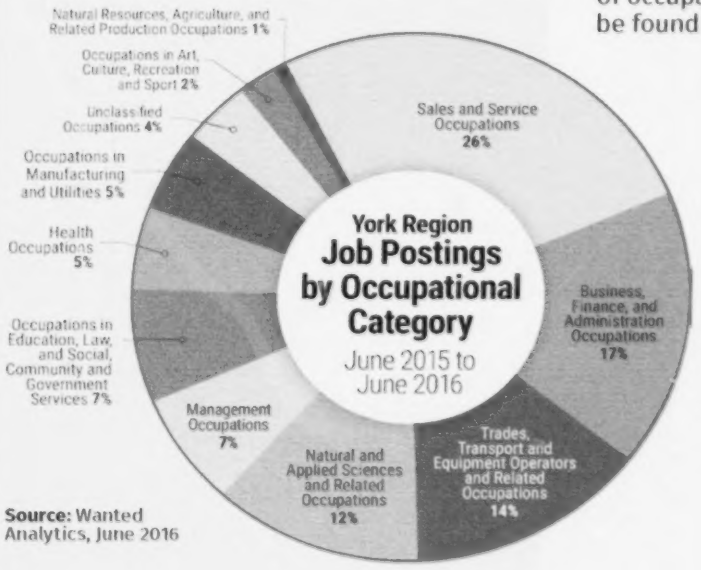
From mid-year 2015 to mid-year 2016, sales and service occupations accounted for **26 per cent** of total job postings. Demand in this category was driven primarily by retail, wholesale, and food service occupations (**Figure 7**).

Business, finance, and administration occupations accounted for **17 per cent** of total job postings between 2015 and 2016. Much of this demand can be attributed to accountants and human resources professionals. Hiring demand in trades, transport, and equipment operators and related occupations category was the third largest in the Region, accounting for **14 per cent** of total job postings. Much of the demand within this category can be attributed to growth in the construction industry.

Overall, the variety of job postings by occupational categories is indicative of the increasing diversity in the Region's employment base. The majority of the job postings highlighted contributes to a more service-oriented economy.

It should be noted that while this data is useful for trend analysis, a direct comparison between hiring trends by occupational category cannot be made to the number of surveyed jobs by NAIC sector. A business may have employees with a variety of occupations, and different occupations can be found in various industries.

Figure 7 - York Region Job Postings by Occupational Category, June 2015 - June 2016


Natural Resources, Agriculture, and Related Production Occupations 1%
Occupations in Art, Culture, Recreation and Sport 2%
Unclassified Occupations 4%
Occupations in Manufacturing and Utilities 5%
Health Occupations 5%
Occupations in Education, Law, and Social, Community and Government Services 7%
Management Occupations 7%
Natural and Applied Sciences and Related Occupations 12%
Trades, Transport and Equipment Operators and Related Occupations 14%
Business, Finance, and Administration Occupations 17%
Sales and Service Occupations 26%
York Region
Job Postings by Occupational Category
June 2015 to June 2016

Source: Wanted Analytics, June 2016

York Region Employment Lands

York Region's employment lands provide for a highly competitive and diverse employment market

Employment lands play a vital role in York Region and are ideally located centrally in the GTA, in close proximity to major highways, intermodal facilities, rail, and to the U.S. market with access to skilled labour and post-secondary institutions. York Region's employment lands have provided developers and end users with a broad range of market choice with respect to site selection, transportation access/exposure, zoning, and land value for employment-related development. Over the years employment lands have accommodated a broader range of employment uses and the Region has been very successful in attracting a variety of industries across the industrial, office, and institutional sectors.

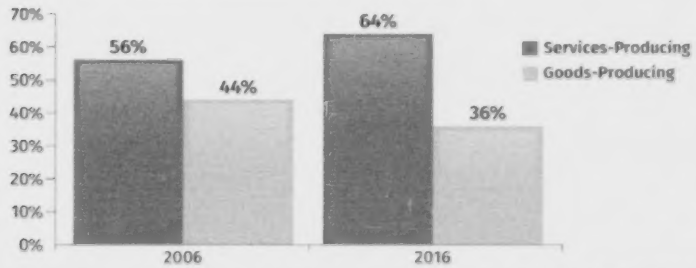
Trends influencing employment growth on the Region's employment lands

As noted earlier, since 2006, the make-up of industrial development provincially and within York Region has evolved from goods-producing manufacturing to more emphasis on the services-producing wholesale trade/transportation/warehousing sectors (**Figure 8**). Employment growth in this sector fueled by continued growth in e-commerce contributed to a growing trend of warehousing and distribution facilities locating across the Region. While manufacturing still remains vitally important to the York Region economy, employment growth in the manufacturing sector is anticipated to be modest for the foreseeable future. Market demand for employment lands has also been increasingly driven by growth in the "knowledge-based" economy.

York Region's economy is comprised of a highly diverse mix of industry sectors including manufacturing, wholesale trade, construction, technology, retail trade, and business services. These clusters of industry sectors encourage networking, attract investment, innovation, and facilitate the incubation of new businesses providing high quality employment opportunities, among other key economic benefits.

In 2016, York Region employment lands accommodated approximately 320,200 of the Region's 595,200 total jobs representing **54 per cent** of the employment base. Between 2006 and 2016, the following three sectors experienced the largest growth within employment lands: construction (**17,650 jobs**), wholesale trade (**14,400 jobs**), and professional, scientific and technical services (**14,100 jobs**).

Figure 8 - Distribution of Goods and Services Producing Employment Land Employment, 2006 and 2016

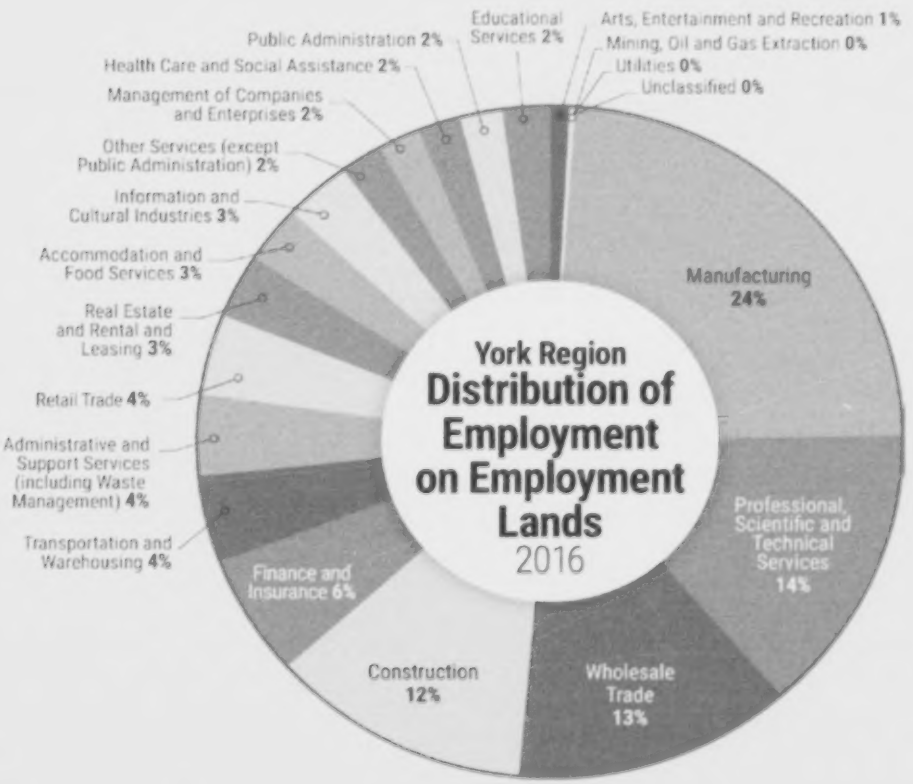


Source: York Region 2016 Employment Survey, Planning and Economic Development Branch

Manufacturing continues to hold the largest share of employment on the Region's employment lands with **24 per cent**. This is followed by professional, scientific and technical services with a **14 per cent** share, and wholesale trade with a **13 per cent** share (**Figure 9**). Manufacturing sectors related to transportation equipment, machinery, food, and metal products have shown the strongest employment growth rates in York Region over the past five years.

In the future, the highly competitive nature of the manufacturing sector will require production to be increasingly cost effective and value-added oriented, which bodes well for firms that are specialized and capital/technology intensive.

Figure 9 - **Distribution of Employment on Employment Lands, 2016**


York Region
Distribution of Employment on Employment Lands
2016
Manufacturing 24%
Professional, Scientific and Technical Services 14%
Wholesale Trade 13%
Construction 12%
Finance and Insurance 6%
Transportation and Warehousing 4%
Administrative and Support Services (including Waste Management) 4%
Retail Trade 4%
Real Estate and Rental and Leasing 3%
Accommodation and Food Services 3%
Information and Cultural Industries 3%
Other Services (except Public Administration) 2%
Management of Companies and Enterprises 2%
Health Care and Social Assistance 2%
Public Administration 2%
Educational Services 2%
Arts, Entertainment and Recreation 1%
Mining, Oil and Gas Extraction 0%
Utilities 0%
Unclassified 0%

Source: York Region 2016 Employment Survey, Planning and Economic Development Branch

Centres and Corridors

Centres and Corridors are attracting high-quality employment opportunities

York Region's Centres and Corridors are a focal point of commerce, business, and cultural activities in the Region. They attract the clustering of economic activities and promote complete communities, including businesses that promote creativity, the exchange of ideas and ease of business transactions, and an increased opportunity for economic spinoffs. Regional Centres and Corridors are planned to become the economic hubs of the Region and have a high concentration of major office, mixed-use retail/commercial, and institutional uses with high-density residential development.

In recent years a significant amount of growth has occurred in York Region's Centres and Corridors. These locations are emerging as urban environments with rapid transit corridors providing live/work opportunities through mixed use development that includes residential, office, and retail/commercial facilities all contributing to a sense of place.

Major office development and the creation of high quality employment opportunities are important to the long term success of the Regional Centres and Corridors. There is a total of 5.5 million square feet of major office space throughout the Region, 2.3 million square feet of which is located in Centres and Corridors.

Surveyed employment within Regional Centres and Corridors grew by over 3,500 to approximately **117,900 surveyed jobs** in 2016. Since 2011, approximately **11,900 new jobs** and **990 businesses** have been created within Regional Centres and Corridors (see **Figure 10**).

According to the employment survey, the highest employment share within Regional Centres and Corridors is retail trade, with **25,200 jobs (21.4 per cent)**, followed by professional, scientific, and technical services with **16,200 jobs (13.7 per cent)**, and health care and social assistance with **15,500 jobs (13.2 per cent)**.

Figure 10 - Employment Growth in Regional Centres and Corridors, 2011-2016

Source: York Region 2016 Employment Survey, Planning and Economic Development Branch

Development activity is increasingly attracted to these areas with higher levels of transit-supportive mixed use development. Recent investment includes Pricewaterhouse Cooper Canada, and Harley Davidson Canada's head office moving into the Vaughan Metropolitan Centre (VMC) in late 2016. In 2017 the GFL Environmental Group's Corporate Head Office will be locating into the VMC and Aviva Canada will also be relocating from Scarborough to Downtown Markham. By 2020-21, York University will be opening a campus in Downtown Markham with 4,400 students that will spur further related employment growth in this Regional Centre.

Number of Employer Business Establishments

York Region Employment Survey data and Statistics Canada Business Counts each provide a unique perspective on the makeup of York Region's business community

Analysis of business establishment data from both Statistics Canada Canadian Business Counts (CBC) and the York Region employment survey assists in understanding and identifying trends in the Region's business community. The York Region Employment Survey data is useful for year over year analysis of economic trends for businesses with a physical location, but does not capture all registered businesses in the Region.

York Region has the third highest number of employer business establishments in the GTA

According to the Canadian Business Counts database from Statistics Canada, in June 2016 there were approximately **50,700 business establishments** in York Region. When compared to other census divisions in the Greater Toronto Area, York Region has the 3rd highest number of business establishments, behind the City of Toronto and Peel Region (**Table 3**).

Table 3 - Number of Business Establishments by GTA Municipality, 2016

Municipality	Number of Establishments
City of Toronto	102,259
Peel Region	52,104
York Region	50,686
Halton Region	19,774
Durham Region	14,437

Source: Statistics Canada Canadian Business Counts, June 2016.

Despite data collection differences between Statistic Canada's Canadian Business Counts and York Region's Employment Survey, the datasets complement each other and further advance our knowledge on changes and trends happening in the Region's business community.

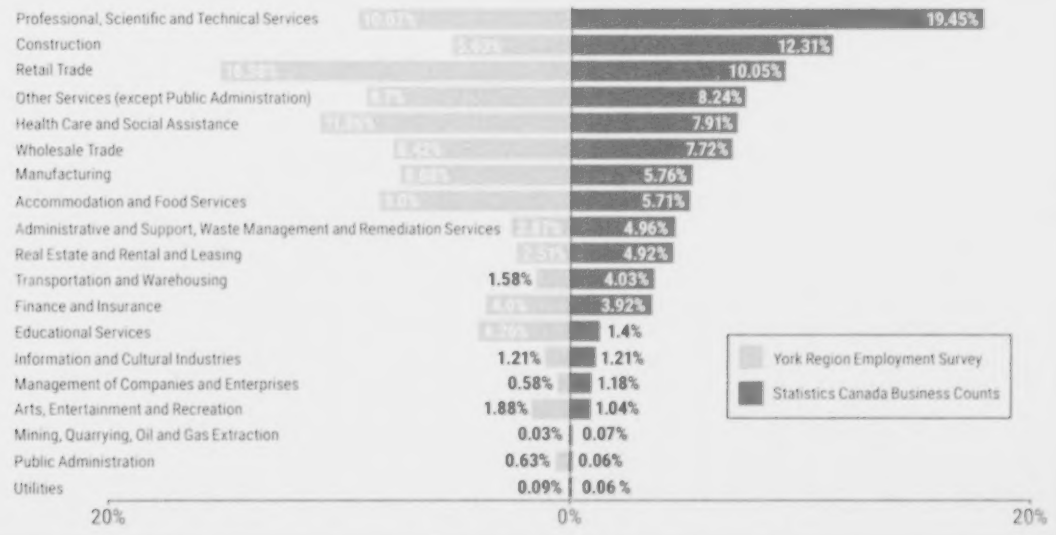
York Region Business Establishments by Sector

Employment Survey and Canadian Business Counts data both indicate York Region businesses are predominantly services-oriented

According to Canadian Business Counts data and the Region's employment survey, **82 per cent** of business employer establishments in York Region were in services-producing industries in 2016.

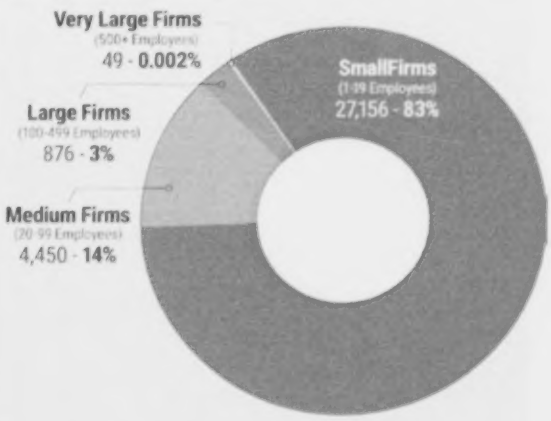
The Canadian Business Counts data indicates that the professional, scientific, and technical services sector accounted for the largest share of employer business establishments in York Region with a **19 per cent** share (**Figure 11**). The majority of establishments in this sector (**84 per cent**) employ between **1 and 4 employees** making it very likely that a significant proportion of these establishments are home-based. The 2011 Statistics Canada National Household survey recorded that **27 per cent** of work at home employees were found in the professional, scientific, and technical services sector, further supporting the rationale that a large portion of these businesses are home-based. In terms of Regional surveyed businesses, this sector only accounts for a **10 per cent** share. This discrepancy is likely attributed to the fact that the Region's employment survey does not capture all registered businesses.

Figure 11 - Comparison of York Region Surveyed Businesses and Statistics Canada Business Counts by Sector, 2016



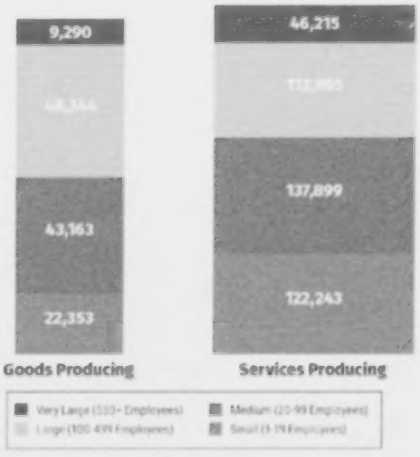
Source: York Region 2016 Employment Survey, Planning and Economic Development Branch
Statistics Canada Canadian Business Counts, June 2016.
Notes: CBC data represents employer business establishments that have submitted payroll remittances to the Canada Revenue Agency.

Figure 12 - York Region Surveyed Businesses by Size, 2016



Source: York Region 2016 Employment Survey, Planning and Economic Development Branch

Figure 13 - York Region Surveyed Employment by Business Size and Industry Sector, 2016



Source: York Region 2016 Employment Survey, Planning and Economic Development Branch

According to the Region's employment survey, the majority of the Region's business growth over the past ten years was in the health care; other services; professional, scientific, and technical services sectors; and retail trade.

The significant presence of business establishments in the professional, scientific and technical services sector highlights the strength of the Region's business clusters which are supported by a highly-skilled workforce. While many businesses in the services sector are population-related (healthcare, education), a significant share of these are business services representing activities such as technology support, financial services, research, and development.

Employment by Business Size

Over three-quarters of the Region's business community is made up of small businesses

In 2016, York Region surveyed **32,500 businesses**, an increase of **7,800 businesses** from the 2006 survey, indicating that new firms continue to choose York Region as a destination to do business. Small businesses (1-19 employees) account for the largest share of the Region's businesses at **83 per cent** or **27,156 businesses** in 2016 (**Figure 12**). This total share is in line with the share of small businesses in the Provincial and Canadian economy and is indicative of the important role of small business and entrepreneurship in York Region's economy.

Over the last ten years the number of firms employing more than 100 employees has grown by **5.4 per cent** annually or **220 businesses**. Since 2006, the largest growth has occurred in medium-sized firms with an increase of **650 businesses**.

The majority of the Region's surveyed businesses (**77 per cent**) can be found in services-producing industries (**Figure 13**). Medium-sized firms within the service-producing industry accounted for the largest share of surveyed employment with nearly **138,000 jobs** or **29 per cent**. The majority of these jobs can be found in the retail, wholesale and professional, scientific and technical service sectors (**Figure 12**).

York Region Employment Analysis (continued)

Nearly **50 per cent** of surveyed jobs in the goods-producing industry sectors were found in businesses that employ over 100 employees. Many of the jobs in this category can be found in the Region's manufacturing sector.

Factors Contributing to Economic Growth in York Region

York Region is located in one of the most attractive and vibrant economic areas on the continent. The Region's economy is underlined by core attributes such as strong population and employment growth, a skilled labour force, a high quality of life that attracts talent, established and diversified industry clusters, significant infrastructure and transportation investments, and locational and accessibility factors amongst others. As the Region's urban structure continues to evolve and the Regional Centres and Corridors mature, these core attributes, combined with the Region's office real estate, digital broadband infrastructure, and innovation in a number of areas are critical to maintaining York Region's continued competitiveness as a top business location in the GTA.

York Region is not an isolated economy and local business and employment growth are closely tied with external economic conditions, trends, and policies at different levels of government. Examples of external and macro-level factors that have a direct impact on York Region's economic growth prospects include exchange and interest rates, the cost of doing business (e.g. hydro rates, corporate taxes, labour force costs, etc.), business regulations, the labour force pool (e.g. educational institutions, immigration etc.), business incentives, U.S. and global trade agreements, and capital markets. York Region's continued shift to a knowledge-and-services-based economy is an example of the significant impact such external factors have on the local economy.

Emerging business practices and market trends also represent challenges and opportunities for York Region's economic growth in both a GTA and a global context. These include business globalization, digital and 'uberized' business delivery models, the shift to contract-based employment, outsourcing, automation, office space rationalization (e.g. shared space, tele-commuting etc.), talent attraction practices, and many others.

York Region's Economic Development Action Plan addresses key economic challenges and opportunities facing York Region and translates them into innovative economic growth areas. Along with the initiatives identified in the Action Plan, the Region continues to make investments to support business growth and innovation.

Conclusions

The Employment and Industry report analyzes the state of the Region's economy and identifies key findings and trends in Regional employment and businesses by industry group. In 2016, there were an estimated **595,200 jobs**. Employment growth in the Region once again outpaced national and provincial averages.

York Region is one of Canada's fastest-growing large urban municipalities and is planned and expected to continue to grow in both population and employment for the foreseeable future. The Region is an attractive location to live and invest and is committed to attracting and retaining employers as well as making significant infrastructure investments to support employment and business growth.

While employment in goods-producing sectors continues to have a presence in York Region, knowledge-based, service-oriented jobs continue to drive the Region's employment growth. This sustained employment growth continues to diversify the Region's economy and promote economic resilience, vitality, and liveability. Attracting and retaining a variety of high quality jobs across a broad range of sectors promotes economic resilience and helps ensure those living in York Region have an opportunity to work and thrive where they live.

Appendix A: Data Sources

York Region Employment Survey Methodology

Background

The 2016 survey was a comprehensive Region-wide survey of all businesses across York Region (excluding farm and home-based businesses). Survey data is aggregated at the traffic zones, which divide the Region into 519 smaller geographic areas allowing for analysis of local trends and information about employment areas. York Region's first Region-wide employment survey occurred in 1998, when 21,000 businesses were recorded. Subsequently, the annual survey targeted key employment areas up to 2006, capturing high-growth areas, designated employment areas and Regional Centres. With the assistance of local municipalities, York Region has been able to complete Region-wide surveys of all businesses between 2007 and 2016. The Region will continue to survey all businesses annually in the future.

Data Collection

Data collection for the 2016 York Region Employment Survey included all traffic zone areas across York Region (excluding home and farm based businesses). Data was collected from York Region businesses in a variety of forms:

- Door-to-door interviews with the business representatives (primary method);
- Telephone interviews (for businesses unable to contact in person); and
- Electronically through e-mail messages, online entries via our corporate website and facsimile submissions.

Businesses were primarily contacted through door-to-door interviews between May and August of 2016 by York Region Employment Surveyors. Surveyors used a GIS-based application to collect the business information. Within each traffic zone, all businesses were directly contacted and details about business activity, changes in employment levels and contact information were updated for existing businesses. New records created for businesses new to the area. Where records showed a business that was no longer at the address in 2016, efforts were made to contact the business by phone to establish either a new location, or to record the probable closure of the business. For businesses unable or unwilling to conduct a door-to-door interview, the option was given to either have a surveyor call them at a mutually convenient time or to provide them with a blank survey form and have them complete and return it at their leisure. For businesses that declined to participate or could not be contacted either in person or by telephone during regular office hours, it was assumed that all information relating to that business remained unchanged from the date they were last surveyed.

In 2016, the Region was able to survey 32,500 businesses with a physical location. Approximately 83 per cent of surveyed businesses were successfully contacted. The Region was unable to contact and update 15 per cent of businesses and 2.0 per cent chose not to participate in the survey.

York Region staff began collecting business and employment information from farm based businesses in 2012 to compliment the statistics Canada Census of agriculture. Home-based businesses were encouraged to submit their business information through the Region's online business directory website. Since then, the Region has collected information from just over 800 home-based businesses. It is important to note that the number of home-based businesses captured in the survey represents a small sample of home-based businesses in the Region. According to the 2011 National Household Survey there were approximately 40,000 home-based jobs in York Region in 2011.

Home-based employment rose to an estimated 43,650 jobs in 2016, an increase of 4,700 since 2011. York Region's home-based employment is increasing every year and has become important to the Region's economy. More detail will be reported out on Regional home employment with the release of the 2016 Census results in 2017 on home-based statistics in York Region. The 2011 National Household Survey recorded 40,000 work at home jobs in the Region. The 2001 Census recorded 29,400 jobs. The increasing home-employment trend is due to the increasing technological advancements in mobile technology along with progressive employer trends that promote teleworking.

In collaboration with the York Region Agricultural Advisory Liaison group and the York Federation of Agriculture, the Region completed its third farm-based business survey in 2016. A letter describing the purpose of the survey and a survey form was distributed in February to just over 700 farm-based businesses. Of the contacted farms, only 8.9 per cent participated in the survey. Regional staff continue to work with the York Federation of Agriculture to increase awareness on the benefits of collecting this information.

Data Uses

Data collected from the employment survey is a valuable resource for both the Region and local municipalities. The data is used by planning and economic development departments, other municipal departments, non-profit organizations, and private sector groups. Some of the central uses of the data for the Region and local municipalities include employment growth forecasts, monitoring targets in the Regional Official Plan and Provincial Growth Plan including employment and density targets for the urban growth centres and intensification areas, forecasting infrastructure requirements in master plans for transportation and water and wastewater, and monitoring major office growth; and evidence at OMB hearings. The data is also used for vacant employment land inventories, development charges studies, analysis of economic trends and emerging sectors, and producing regional and local business directories.

Data Accuracy

A number of factors limit the accuracy of the data collected within this report. Data collected was based on responses received from businesses. In certain instances however, businesses refused to participate, had a language barrier, were potentially not captured in previous survey years, moved to an unknown location or were temporarily closed. As a result, certain business sectors may be over-represented and others under-represented depending on the particular circumstances of businesses in that sector.

While this study analyzes employment patterns in the Region, it does not examine all possible factors that can influence employment rates in a particular location, such as land prices, property tax rates, development charges, and existing employment space inventories and vacancies. These factors can impact the level of overall economic health in a given area and can promote or discourage employment growth in one area over another.

The data collected is time-sensitive, in that the information is only accurate as of the date collected. For certain industries undergoing rapid change, the analysis within this report may no longer reflect current circumstances. Caution should therefore be used before making any conclusions based on this information.

Appendix A: Data Sources (continued)

Statistics Canada Business Counts Data

The Statistics Canada Business Counts database provides counts of active establishments by industry classification and employment size categories for Canada and the provinces/territories. The database is based on information received through the Canadian Business Register and uses the business registration number as the basis for their business counts. According to Statistics Canada the business register includes all Canadian businesses which meet at least one of the three following criteria: have an employee workforce for which they submit payroll remittances to CRA; or have a minimum of $30,000 in annual revenue; or are incorporated under a federal or provincial act and have filed a federal corporate income tax form within the past three years. Due to these factors it is possible that the business register includes businesses that are not identifiable in a physical location survey. Additionally, due to recent changes in the Business Register's methodology the data may increase or decrease the number of active establishments reported and should not be used as a time series. For more information on Statistics Canada Business Counts data please visit www.statcan.ca.

Wanted Analytics

Wanted Analytics is a provider of real-time market intelligence and analytics on hiring trends. The web-based platform collects information on hiring demand data from major online job search engines. The data is then categorized by occupational category using Statistic Canada's National Occupational Classification system (NOCs).

Statistics Canada Labour Force Survey

The Statistics Canada Labour Force Survey measures the current state of the Canadian labour market and is used to estimate national, provincial and regional employment and unemployment rates. The survey divides each province into smaller geographic areas and then uses a rotating panel sample design to select dwellings to be surveyed. The monthly sample size has been approximately 56,000 households which results in the collection of labour market data from approximately 100,000 individuals. The data is collected on a monthly basis either by telephone or in person interviews and survey participation is mandatory under the Statistics Act. Information is collected from all household members aged 15 and over.

Appendix B: Sector Definitions

Each business surveyed was assigned a numeric code based on their primary business activity. These codes are based on the North American Industrial Classification (NAIC) system, a hierarchical coding system used by statistical agencies in Canada, the U.S. and Mexico to classify businesses by type of economic activity. Much of the analysis in this report aggregates business information based on the NAIC coding at different levels of the hierarchy. The 20 NAIC sectoral categories used by Statistics Canada have been combined to 2 industry groupings. The combined industry groupings are summarized below:

Goods-Producing Sectors

Mining, Oil and Utilities Sector (NAIC 21, 22) This sector comprises establishments primarily engaged in mining, oil and gas extraction and related support activities and operating electric, gas and water utilities. These establishments generate, transmit, control and distribute electric power; distribute natural gas; treat and distribute water; operate sewer systems and sewage treatment facilities; and provide related services, generally through a permanent infrastructure of lines, pipes and treatment and processing facilities. Construction Sector (NAIC 23) This sector comprises establishments primarily engaged in constructing, repairing and renovating buildings and engineering works, and in subdividing land. This sector includes land development, building and engineering construction and project management and all construction trades contracting (e.g., concrete pouring, roofing, drywall and painting, electrical, fencing).

Manufacturing Sector (NAIC 31-33) This sector comprises establishments primarily engaged in the chemical, mechanical or physical transformation of materials or substances into new products. This sector includes food and beverage manufacturing, textile and clothing production, wood and paper products manufacturing, printing, petrochemical manufacturing, plastics and rubber manufacturing, non-metallic mineral product manufacturing (e.g., bricks, glass, gypsum board), primary metal manufacturing (e.g., iron and steel mills, metal pipes and wire, foundries), fabricated metal product manufacturing (e.g., stamping, metal doors, boilers, hardware, machine shops, nuts and bolts), machinery manufacturing, computer and electronic equipment, electrical equipment and appliances, transportation equipment manufacturing (e.g., motor vehicles and parts, aerospace and boat building) and furniture manufacturing.

Services-Producing Sectors

Wholesale Trade Sector (NAIC 41) This sector comprises establishments primarily engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. This sector includes all wholesale distributors, product agents and brokers.

Retail Trade Sector (NAIC 44-45) This sector comprises establishments primarily engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. Includes all retail stores, retail auto and building supply dealers, gas stations and non-store retailers (e.g., mail order houses, vending machine operators, direct sales).

Transportation/Warehousing Sector (NAIC 48-49) This sector comprises establishments primarily engaged in transporting passengers and goods, warehousing and storing goods, and providing services to these establishments. This sector includes passenger and freight transportation and related support activities (e.g., airports, bus stations, vehicle towing, postal and courier services and warehousing and storage establishments.

Appendix B: Sector Definitions (continued)

Information and Cultural Studies Sector (NAIC 51) This sector comprises establishments primarily engaged in producing and distributing (except by wholesale and retail methods) information and cultural products. Establishments providing the means to transmit or distribute these products or providing access to equipment and expertise for processing data are also included. The main components of this sector are the publishing industries (e.g. newspaper, book and software publishers), TV and radio broadcasting, telecommunications services, information services (e.g., news syndicates, libraries, and internet providers) and data processing services.

Finance and Insurance Sector (NAIC 52) This sector comprises establishments primarily engaged in financial transactions including monetary authorities, credit intermediation and related activities (e.g., personal and commercial banking, credit unions, credit card issuing, consumer lending, mortgage brokers, transaction processing), securities and commodities trading, portfolio management and investment advising, insurance carriers and brokers and pension funds.

Real Estate and Rental and Leasing Sector (NAIC 53) This sector comprises establishments primarily engaged in renting, leasing or otherwise allowing the use of tangible or intangible assets. Establishments are primarily engaged in managing real estate for others; selling, renting and/or buying of real estate for others; and appraising real estate.

Professional, Scientific and Technical Services Sector (NAIC 54) This sector comprises establishments primarily engaged in activities in which human capital is the major input. These establishments make available the knowledge and skills of their employees, often on an assignment basis. The individual industries of this sector are defined on the basis of the particular expertise and training of the service provider. The main components of this sector are legal services; accounting, tax preparation, bookkeeping and payroll services; architectural, engineering and related services; specialized design services; computer systems design and related services; management, scientific and technical consulting services; scientific research and development services; and advertising, public relations, and related services.

Management of Companies and Enterprises Sector (NAIC 55) This sector comprises establishments primarily engaged in managing companies and enterprises and/or holding the securities or financial assets of companies and enterprises, for the purpose of owning a controlling interest in them and/or influencing their management decisions (e.g. holding companies, centralized administrative offices, corporate offices, head offices).

Administrative and Support, Waste Management and Remediation Services Sector (NAIC 56) This sector comprises establishments of two different types: those primarily engaged in activities that support the day-today operations of other organizations; and those primarily engaged in waste management activities. The first type of establishment is engaged in activities such as administration, hiring and placing personnel, preparing documents, taking orders from clients, collecting payments for claims, arranging travel, providing security and surveillance, cleaning buildings, and packaging and labeling products. Waste management establishments are engaged in the collection, treatment and disposal of waste material, the operation of material recovery facilities, the remediation of polluted sites and the cleaning of septic tanks.

Appendix B: Sector Definitions (continued)

Education Sector (NAIC 61) This sector comprises establishments primarily engaged in providing instruction and training in a wide variety of subjects. This instruction and training is provided by specialized establishments, such as schools, colleges, universities and training centers. These establishments may be privately owned and operated, either for profit or not, or they may be publicly owned and operated.

Health and Social Services Sector (NAIC 62) This sector comprises establishments primarily engaged in providing health care by diagnosis and treatment, providing residential care for medical and social reasons, and providing social assistance, such as counseling, welfare, child protection, community housing and food services, vocational rehabilitation and child care, to those requiring such assistance.

Arts, Entertainment and Recreation Sector (NAIC 71) This sector comprises establishments primarily engaged in operating facilities or providing services to meet the cultural, entertainment and recreational interests of their patrons. The main components of this sector are performing arts, spectator sports industries, heritage institutions (e.g., art galleries, museums, zoos, conservation areas), amusement parks, gambling industry, golf courses and country clubs, skiing facilities, marinas, fitness and recreation centres, restaurants and bars and caterers.

Accommodation and Food Services Sector (NAIC 72) This sector comprises establishments primarily engaged in providing short-term lodging and complementary services to travelers, vacationers and others, in facilities such as hotels, motor hotels, resorts, motels, casino hotels, bed and breakfast accommodations, housekeeping cottages and cabins, recreational vehicle parks and campgrounds, hunting and fishing camps, and various types of recreational and adventure camps. This sector also comprises establishments primarily engaged in preparing meals, snacks and beverages, to customer orders, for immediate consumption on and off the premises.

Other Services Sector (except public administration) (NAIC 81) This sector comprises establishments primarily engaged in repairing, or performing general or routine maintenance (e.g. Automotive repair, machinery repair, reupholstery); providing personal care services (e.g. hair care, funeral homes, laundry services, pet care services, photofinishing); religious organizations and other civic and professional organizations.

Public Administration Sector (NAIC 91) This sector comprises establishments primarily engaged in activities of a governmental nature (e.g. federal, provincial, regional and municipal protective services such as fire, police, courts and correctional facilities, regulatory and administrative service

Employment and Industry 2016

For more information on businesses
in York Region please contact:

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Planning and Economic Development Branch

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